MINUTES OF REGULAR MEETING OF THE
VAN AIRE SKYPORT CORPORATION BOARD OF DIRECTORS
April 10, 2023

The meeting was convened in the hanger of Bill Teater on April 10, 2023. It was called to order by President John Conroy at 6:10 pm.

- Present at the Meeting were:
  - Board Members
    - John Conroy (President and 2B)
    - Bill Teater (Acting Secretary and 1B)
    - Ed Cole (Treasurer and 1A)
    - Tom Thrall (VP and Member-at-Large – via phone)
  - Visitors
    - Ron Stites, Stites & Associates, LLC (Office Manager)
    - Carl Goeritz ("Buddy")
    - Maureen Bendure

- John presented the Agenda. It was accepted by acclamation (see attached).

- John presented revised March Minutes. This final revision was approved unanimously.

- Treasurer's Report.
  - Financials:
    - Monthly Profit/Loss (to be posted on the website)
    - YTD Profit/Loss compared to Budget (to be posted on website)
    - Aviation Fuel Related Profit/Loss continued to show that the Fuel Procedure seems to be making that operation at least "break-even." We will review this again later in the summer when we have more data.
    - Balance Sheet (to be posted on website)
  - Ron noted that in the process of opening a new checking account with the Bank of Colorado (BOC), Board Members reviewed the signature policy adopted in November of 2022 and concluded that we should revert back to the previous policy of requiring dual signature on checks by the President and the Treasurer. We have received new checks from BOC that do not have duplicates as we had specified. They will be replaced with dual copy checks as we had ordered. This will take about 2 weeks. In the interim we will continue with the policy of required initials of the signers on the check stubs to document dual signatures on the checks.
  - Ron announced that we will continue the process of working toward GAAP as our guide for handing and accounting for money. This requires that the person doing the accounting be able to see all financial accounts and transactions without being able to able to initiate those transactions. This includes all checking, saving, and investment accounts. Furthermore, Ron

announced that only third party, objective evidence of such transactions will be considered adequate. The preferred method is online, on demand access to accounts in a "view only" mode. An example of evidence not acceptable would be an internally generated summary spreadsheet.

- Ron was "volunteered" to write a draft SOP for approving expenditures, paying bills, and transferring money. This will be presented at the next Board Meeting.
- The decision to move money out of TBK and into BOC made at the last meeting was clarified to include taking the necessary steps to close the TBK account. Ron will do this as quickly as practical. Steps include:
    - Move online payments for United Power and Comcast.
    - Move merchant account (credit card payments) for QTPOD.
    - Move Direct Deposit for Verdad checks (not occurring yet but already been set up).
- First Quarter Estimated Tax:
    - Ron and Bill met with Marty Wadsworth of Main Street Accounting to discuss first quarter estimated tax for 2023. Key points are:
        - The tax rate for Federal Income tax is 21% of net income.
        - The tax rate for Colorado State tax is 4.4% of net income.
        - A depletion deduction of 15% of the "gross production" is allowed on "Royalties Income" (i.e., Van Vaire's O&G production income – not lease bonuses). This is a significant reduction in tax. Marty will work through this for our first quarter once we gather all the data.
        - The Federal Tax must be sent in via the Van Aire EFTPS online site. Ron will contact Linda Alexander to get the credentials to do a transfer to pay the estimated tax before April 15.
        - The Colorado State tax can be sent via mail using a check. It may be more convenient to use the Colorado EFT process. Ron will look into that.
- Process for taking and approving Minutes
    - Ron announced that he will be taking notes and making a First draft of the Minutes of the Board Meetings and sending it to the President for a first review. In general, this First Draft will be more inclusive than the absolute minimum in the Altitude Law Guidance (see that posting on the Van Aire website). The purpose will be to include everything that might be of interest to the Board and not leave out anything that might be important. Leaving something out is a judgement call that Ron doesn't feel qualified to make.
    - In the absence of any specific guidance for Board Meetings under Article VII, Meeting of Directors, of the Van Aire Bylaws, the Board adopted as a goal of minute taking to meet, as much as practical, the guidance of Article IV, Meeting of Members, Section 8, Minutes, of the Van Aire Bylaws. These were read into the Minutes and reproduced here:

        - *The Secretary/Treasurer will be responsible to ensure that complete and accurate minutes of every meeting of the Corporation are recorded. The minutes shall include all topics discussed, regardless of whether any action, or no action, was taken regarding such topic. The meeting minutes will be approved prior to adjournment of the meeting. The approved meeting minutes shall be posted to the Membership on the corporate website, and via email no later than fifteen (15) business days following the date of each meeting.*
      - It was acknowledged by all present that approval "prior to adjournment" was not practical. Bill Teater moved:
        - A Draft of the Minutes will be created and marked as a "Draft." That Draft will be reviewed and revised by Board Members via email. After that review, the Draft will be posted on the website and emailed to all Members for their comments, along with the Financial Statements, within the 15 business day period. Final approval will be made at the following Board Meeting. After final approval the website documents will be updated as needed and any corrections needed will be emailed to the Membership.
        - The motion was seconded by John Conroy and passed unanimously.
  - Bill Teater initiated a related discussion about handling CDs. We have a short-term need to move money and a longer-term need to have a more detailed policy for continuing activities. Bill moved:
      - As soon a practical we will figure our first quarter tax liability and move money out of checking accounts and into CDs leaving the $100K "buffer" set by the Board at the January 2023, meeting and any money needed for an estimated tax payment. Ron and Bill will also start reviewing the current Investment Policy and propose revisions that would be more workable and detailed.
      - The motion was seconded Ed and passed unanimously.
  - Bill moved to add Jim Vyduna to the Investment Committee. This was seconded by John. It was passed unanimously.

- Audit/Internal Fiscal Review Committee:
  - Nothing new to report.

- Fuel Committee:
  - Tom T. reported that the tank did have some water and rust in the bottom. The tank has been cleaned by Eaton. We will continue to monitor the situation.
  - Tom T. noted that we have a full tank of fuel on hand. The cost has dropped some and we should monitor our income versus costs. We may

find improvements in measurements will allow us to drop the percentage markup and still break-even on aviation fuel.

- Nominating Committee/Changes and Related Discussion
    - Audit Committee – No change
    - Fuel Committee – Ed Cole, John Conroy, Ryan Bendure added
    - Nominating Committee – Charles Elliston added
    - Runway Committee – John Conroy added
    - Common Area Committee – Vince Phelps has left the committee
    - Architectural Control Committee – No change
    - Investment Committee – Jim Vyduna added (see earlier discussion)
    - Oil & Gas Committee – No change
    - Covenant/Bylaw Review Committee – a challenge
        - This is a critical committee that needs to track issues that keep cropping up and suggest resolutions. Bill will focus more attention on recruiting for this committee.
        - Bill asked Ron to send out the Altitude Law Meeting Minutes guidance and the other “chapters” of the rules and regulations section of the website. Ron will gather the documents and draft an email to which they can be attached and explaining how Members can find the documents on the website.

- Runway Committee:
    - John led a discussion on displaced thresholds, giving another possible option. The complexities prevented a solid consensus being reached.
    - John moved that a committee be formed to find a qualified engineer who could figure out the legitimate options available and assist in the balancing of safety, liability, and convenience issues related to Van Aire airport runway markings. Bill seconded the motion. It was passed unanimously. John volunteered to chair the committee and Bill volunteered to be a member of the committee. There were no objections.
    - Bill noted that he had checked with our insurance company (Flood Peterson) for suggestions on how to word our airport release form. They were not very helpful. Bill will continue to look for expert assistance on revising the release form.

- Common Area:
    - John suggested that we should have an event to encourage discussion on improvements that Van Aire could fund with O&G proceeds. Bill volunteered to make a plan for having such an event that would allow input and capturing of the ideas from the Membership.

- Investment Committee:
    - Nothing additional. See earlier on CDs discussion under the Treasurer’s Report.

- Oil and Gas Committee:
    - Nothing new to report beyond the tax implications discussed under the Treasurer's Report.

- Covenant Review Committee:
    - Nothing additional beyond the discussion under the Nominating Committee Report.

- Old Business:
    - Airport Rules and Regulations:
        - After a brief discussion Bill moved to table action on the newly proposed language until next meeting. All agreed that the hour was too late to continue on this topic and many of the other Old Business topics.
    - Walking Path discussion tabled.
    - Need to identify leaders for all committees. John led a brief discussion on having a Board Member associated with each committee. No action was taken.
    - PES pursuit and financial status. No progress to report.
    - Discuss finding a new tax attorney. Tabled.
    - Develop document control policy/system. Ron noted that this was in progress, and some aspects had been discussed earlier (Treasurer's Report). We will be working on the purchasing/payment methods first. Additional written procedures will be needed for record retention and disposal but those will come later.
    - Bylaw and Covenant Overhaul this year. It was repeated that we needed to get the Covenant/Bylaw Review Committee active (see above).
    - Property at 156th and Harvest for sale. This was postponed since Brandon was not available to update the Board on the16 acres adjacent to Van Aire (Duck Club Property).

- New Business:
    - Buddy asked if it would be possible to set a date for the Annual Picnic. He has an event scheduled for around the usual time of the picnic. After some discussion, a tentative date of September 9 was set for the Annual Picnic.

- Next Meeting: Monday, May 8, 2023, 6 pm at Bill Teater's hanger.

- Meeting Adjourned 9:01 pm.

AGENDA OF THE REGULAR MEETING

OF THE

VAN AIRE SKYPORT CORPORATION BOARD OF DIRECTORS

<u>10 April, 2023</u>

PRESENT:

Directors: 1A Ed Cole (Treasurer) __________

1B Bill Teater (Secretary) _________

2A Tom Edwards__________

2B John Conroy (President)__________

Tom Thrall (VP, Member At-Large)__________

Ron Stites (Office Manager)__________

Guests:

The meeting was called to order by ______________ at _______,

Meeting Minutes for Mar 2023 board meeting minutes review, approved_______________.

Financials - Ron Stites

* Tax strategy issues brought up at Annual Meeting
* Changes to Office Manager duties

<u>Committee Reports</u>

- **Audit Committee** – <u>Wendy Odenbrett</u>, Laura Larkin, Helen Gaines
  - We are planning an external audit for 2024
- **Fuel Committee** – <u>Tom Thrall</u>, Jim Vyduna
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- **Nominating Committee** - <u>Bill Teater</u>
- **Runway Committee** – Vince Phelps, Charles Elliston, Wayne Henke
  * Discussion around displaced threshold and/or other runway markings
- **Common Area Committee** – Terry Jackson, Vince Phelps, Charles Elliston
- **Architectural Control Committee** – <u>John Conroy</u>, Laura Larkin, Maria Riehl
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- **Investment Committee** –Bill Teater
  * Discuss CD and Deposit accounts in light of O&G receipts, FDIC limits
- **Oil & Gas Committee** –Don Smallwood and John Allison
  Update on Oil & Gas royalties received
- **Covenant/Bylaw Review Committee** –

OLD BUSINESS -

* Changes to Airport Rules and Regulations - discuss softening the language and re-titling the first chapter.
* Walking Path status going forward
* Need to identify leaders for all committees
* PES pursuit and financial status
* Discuss finding new tax attorney
* Develop document control policy/system.
* Bylaw and Covenant Overhaul this year
* Property at 156th and Harvest for sale

NEW BUSINESS

Tabled Items

Notes from the Secretary

- May 2023 VASC Board Meeting schedule? ______________